


File 1

# MIDLAND & PACIFIC GRAIN CORPORATION LIMITED

## *Thirty-Sixth Annual Report*

FOR THE YEAR ENDED 31st JULY  
1964



Digitized by the Internet Archive  
in 2023 with funding from  
University of Alberta Library

[https://archive.org/details/Midl0549\\_1964](https://archive.org/details/Midl0549_1964)

# Midland & Pacific Grain Corporation Limited

## DIRECTORS

THE VISCOUNT ELVEDEN

L. P. CANDLER, C.A.

C. R. TANNER

B. HEWARD

E. H. TANNER, O.B.E.

R. L. McFARLANE, C.A.

## OFFICERS

THE VISCOUNT ELVEDEN—Chairman of the Board

L. P. CANDLER, C.A.—President

R. L. McFARLANE, C.A.—Vice-President

R. D. SPOONER—Secretary

## BANKERS

Canadian Imperial Bank of Commerce

## TRANSFER AGENT AND REGISTRAR

The Royal Trust Company

## AUDITORS

Clarkson, Gordon & Co.

Calgary

## HEAD OFFICE

1550 Elveden House, Calgary



# Midland & Pacific Grain Corporation Limited

## REPORT OF THE DIRECTORS

TO BE SUBMITTED AT

THE THIRTY-SIXTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF MIDLAND & PACIFIC GRAIN CORPORATION LIMITED:

Your Board of Directors takes pleasure in presenting the Annual Report of your Company for the year ended 31st July, 1964.

### Revenue Surplus Account

Net profit for the year amounted to \$141,086 (28.2 cents per share) — an increase of \$38,982 (7.8 cents per share) over the profit for the year ended 31st July, 1963.

Operating income from Grain and Feed Operations amounted to \$46,888 and showed an increase of \$15,902 over the income derived from these operations during the year ended 31st July, 1963.

Investment income at \$129,926 was greater by \$17,208 than that earned in the fiscal year 1962/1963, and expenses were \$10,669 less.

At 31st July, 1964 — after adding the net profit of \$141,086 and deducting the dividend of \$100,000 paid on the 30th September, 1963 — the balance on Revenue Surplus Account stood at \$353,736.

### Profit on Disposal of Capital Assets

During the fiscal year 1963/1964, capital profits of \$159,763 were realized from the sale of investments and, after adding these profits to the balance brought forward, the accumulated capital profits stood at \$2,267,233 at the end of the year.

### Net Worth

At 31st July, 1964, the quoted value of the portfolio of marketable securities stood at \$3,229,654, and exceeded the book value by \$595,720: after adjustment for this excess, the net worth of the Company at the 31st July, 1964 was \$7.43 per share as compared with a net worth (similarly adjusted) of \$6.53 at the close of the previous year. It is interesting to note that the net worth of the Company has grown over the last five years by \$2.24 per share — an increase of 43%.

### Grain and Feed Mill Operations

At the time of writing this report, harvesting is still in progress in areas served by the Company's elevators, but there is every reason to believe that the crop will be about average.

Record shipments of Canadian wheat to overseas markets during the year benefited all grain companies, your own Company included.



# Midland & Pacific Grain Corporation Limited

## REPORT OF THE DIRECTORS (continued)

### Investment Portfolio

It will be clear to the Shareholders that the portfolio of marketable securities constitutes not only the greatest part of the Company's assets, but also provides most of the income. And, with this in mind, the Directors have decided that the Financial Report for the 1963/1964 fiscal year, and all subsequent years, shall include particulars of that portfolio. A study of this portfolio shows that your Directors have invested almost 85% of the Fund in equities: they have done this in the belief that, over the long term, the maintaining of a strong position in equities offers the best means for ensuring growth of capital and income.

### Dividends

Your Directors have declared a dividend of 22c per share payable on 2nd October, 1964 to Shareholders of record at 25th September, 1964. This represents an increase of 10% over the dividend paid in 1963. The Directors have decided that in 1965 and subsequent years, dividends shall be paid semi-annually on 31st March and the 30th September; accordingly, the next dividend payment will be made on 31st March, 1965. They have also decided that, in addition to the annual financial report, interim financial results for the six months ended on 31st January in each fiscal year shall be published in leading Canadian newspapers.

### Stock Exchange Listings

Because of the broadening interest in the Company's shares, and the market for its shares, listings on the Canadian Stock Exchange (Montreal), and on the Vancouver Stock Exchange were applied for: these applications were successful, and the Company's shares are now listed on both these Exchanges, as well as on the Toronto Stock Exchange where it has been listed since 23rd January, 1947.

On Behalf of the Board

ELVEDEN

Chairman

4th September, 1964

# Midland & Pacific G

(Incorporated under the laws of the Province of Ontario)

## BALANCE SHEET

31st July, 1964

### ASSETS

1964 1963

#### CURRENT

Cash	\$ 11,399	\$ 40,099
Accounts receivable	35,110	56,334
Notes receivable and accrued interest	141,625	235,750
Inventories		
Grain (including grain held as agents for the Canadian Wheat Board) at market value	280,218	264,076
Merchandise at lower of cost or market	35,655	31,740
Prepaid expenses	3,414	3,910
Total current assets	\$ 507,421	\$ 631,909

#### INVESTMENTS—AT COST

Marketable securities having a quoted market value of \$3,229,654 (\$2,391,509 in 1963)	\$2,633,934	\$2,046,894
Other	41,343	43,343
	\$2,675,277	\$2,090,237

#### NOTES RECEIVABLE

— \$ 137,500

#### FIXED—AT COST

Properties and equipment less accumulated depreciation of \$261,478 (\$252,403 in 1963)	\$ 106,472	\$ 120,949
	\$3,289,170	\$2,980,595

See accompanying notes

## Corporation Limited

(laws of Canada)

## SHEET

and 1963

## LIABILITIES

	1964	1963
CURRENT		
Accounts payable and accrued liabilities	\$ 147,586	\$ 40,842
Income and other taxes payable	5,743	3,109
Total current liabilities	\$ 153,329	\$ 43,951
DEFERRED LIABILITY RE TAXES ON INCOME (See note)	\$ 14,872	\$ 16,524
SHAREHOLDERS' EQUITY		
Capital—		
4% non-cumulative redeemable preferred shares of \$1 par value each—		
Authorized 1,000,000 shares		
Issued and redeemed 400,000 shares		
Common shares of no par value—		
Authorized 2,500,000 shares		
Issued 500,000 shares	\$ 100,000	\$ 100,000
Earned Surplus (Statement 2)—		
Revenue surplus	353,736	312,650
Profits on disposals of capital assets	2,267,233	2,107,470
Capital redemption reserve	400,000	400,000
	\$3,120,969	\$2,920,120
ON BEHALF OF THE BOARD:		
Elveden, Director.		
L. P. Candler, Director.		
	\$3,289,170	\$2,980,595

financial statements.

# Midland & Pacific Grain Corporation Limited

## STATEMENT OF EARNED SURPLUS

Years Ended 31st July, 1964 and 1963

	1964	1963
Revenue surplus:		
Balance at beginning of year	\$ 312,650	\$ 285,546
Add net profit for the year (Statement 3)	141,086	102,104
	<u>\$ 453,736</u>	<u>\$ 387,650</u>
Less dividend paid	100,000	75,000
Balance at end of year	<u>\$ 353,736</u>	<u>\$ 312,650</u>
Profits on disposals of capital assets:		
Balance at beginning of year	\$2,107,470	\$2,075,174
Add:		
Profit less losses on sale of investments during the year	159,763	32,296
Balance at end of year	<u>\$2,267,233</u>	<u>\$2,107,470</u>
Capital redemption reserve:		
Transferred from distributable surplus under provisions of Section 61 of The Companies Act (Canada)	<u>\$ 400,000</u>	<u>\$ 400,000</u>

See accompanying note to financial statements.

# Midland & Pacific Grain Corporation Limited

## STATEMENT OF PROFIT AND LOSS

Years Ended 31st July, 1964 and 1963

	1964	1963
Revenue:		
Elevator and feed mill gross profits	\$159,258	\$142,327
Less elevator, feed mill and other expenses	112,370	111,341
	<hr/>	<hr/>
	\$ 46,888	\$ 30,986
Dividends and interest	129,926	112,718
	<hr/>	<hr/>
	\$176,814	\$143,704
	<hr/>	<hr/>
Expenses:		
General	\$ 11,994	\$ 21,068
Legal	2,211	1,282
Depreciation	16,675	19,199
	<hr/>	<hr/>
	\$ 30,880	\$ 41,549
	<hr/>	<hr/>
Profit before income taxes	\$145,934	\$102,155
	<hr/>	<hr/>
Income taxes (See note):		
Taxes payable for the year	\$ 6,500	\$ 1,887
Less portion provided in a prior year	1,652	1,836
	<hr/>	<hr/>
	\$ 4,848	\$ 51
	<hr/>	<hr/>
Net profit for the year	\$141,086	\$102,104
	<hr/>	<hr/>

See accompanying note to financial statements.

# Midland & Pacific Grain Corporation Limited

## PORTFOLIO OF MARKETABLE SECURITIES

31st July, 1964

No. of Shares or Par Value		Market Value	Percentage of Marketable Securities
<b>PREFERRED STOCKS - Excluding Convertibles</b>			
1,000	Alberta Gas Trunk Line Co. Ltd. 5¾% Pfd.	\$107,000	
971	B.C. Sugar Refinery 5% Pfd.	19,177	
1,000	Bowater Corp. of North America Ltd. 5% Pfd.	50,500	
43,000	Canadian Pacific Railway 4% Pfd.	92,020	
1,500	Canadian Petrofina Ltd. Pfd.	20,438	
800	Canadian Utilities 5% Pfd.	81,000	
500	Canadian Utilities 4¼% Pfd.	42,500	
2,600	Canadian Western Natural Gas Co. Ltd. 5½% Pfd.	55,250	
80	General Steel Wares Limited 5% Pfd.	7,440	
425	Northwestern Utilities Ltd. 4% Pfd.	35,063	
2,000	Royalite Oil Company Limited 5¼% Pfd.	50,500	
		<hr/>	
		\$560,888	17.37%
		<hr/>	
<b>BANKS AND LIFE ASSURANCE</b>			
1,500	Bank of Montreal	\$103,500	
1,500	Canadian Imperial Bank of Commerce	103,125	
200	Imperial Life Assurance	39,000	
		<hr/>	
		\$245,625	7.60%
		<hr/>	
<b>CONSTRUCTION</b>			
1,500	Canada Cement Company Limited	\$ 69,938	2.16%
		<hr/>	
<b>CONTAINERS</b>			
6,000	Consumers Glass Company Limited	\$ 78,000	2.42%
		<hr/>	
<b>ENTERTAINMENT</b>			
2,000	Famous Players Canadian Corp. Ltd.	\$ 41,000	1.27%
		<hr/>	
<b>FINANCE</b>			
2,000	Industrial Acceptance Corporation Ltd.	\$ 48,000	1.49%
		<hr/>	
<b>FOOD</b>			
1,750	B.C. Sugar Refinery	\$ 77,437	
4,000	Canada & Dominion Sugar Co. Ltd.	102,500	
1,000	Salada Foods Ltd.	13,000	
		<hr/>	
		\$192,937	5.97%
		<hr/>	
<b>MANUFACTURING AND FARM MACHINERY</b>			
4,000	Canada Wire & Cable Co. Ltd. 'B'	\$ 68,000	
2,000	Dominion Textile Company Limited	59,250	
1,200	Massey Ferguson Limited	35,700	
450	Massey Ferguson Limited 5½% Pfd.	66,431	
		<hr/>	
		\$229,381	7.10%
		<hr/>	

# Midland & Pacific Grain Corporation Limited

## PORTFOLIO OF MARKETABLE SECURITIES (continued)

No. of Shares or Par Value		Market Value	Percentage of Marketable Securities
<b>METALS AND MINING</b>			
1,000	Aluminum Limited	\$ 32,500	
1,000	Aluminum Limited Convertible 4¼% Pfd.	44,875	
4,000	Cassiar Asbestos Corp. Ltd.	49,000	
2,000	Consolidated Mining & Smelting Co. of Can.	74,250	
2,000	Craigmont Mines Limited	33,500	
3,000	Geco Mines Limited	109,500	
1,200	Hudson Bay Mining & Smelting Co. Ltd.	79,950	
		<hr/>	
		\$ 423,575	13.12%
<b>OIL AND GAS</b>			
2,500	British American Oil Company Ltd.	\$ 84,375	
1,800	Imperial Oil Limited	91,575	
		<hr/>	
		\$ 175,950	5.45%
<b>PAPER AND FOREST PRODUCTS</b>			
8,000	Abitibi Power & Paper Co. Ltd.	\$ 122,000	
3,500	Great Lakes Paper Company Ltd.	94,500	
1,500	MacLaren Power & Paper Co. 'B'	37,500	
4,000	MacMillan, Bloedel & Powell River Ltd.	123,000	
600	MacMillan, Bloedel & Powell River Ltd. 3% Pfd.	600	
1,000	Price Bros.	46,000	
		<hr/>	
		\$ 423,600	13.11%
<b>STEEL</b>			
3,000	Dominion Foundries & Steel Ltd.	\$ 75,375	
3,000	Steel Company of Canada	78,750	
		<hr/>	
		\$ 154,125	4.77%
<b>TRANSPORTATION</b>			
2,000	Canadian Pacific Railway	\$ 92,250	2.86%
<b>UTILITIES</b>			
3,250	Bell Telephone Company of Canada	\$ 184,437	
1,000	Calgary Power Limited	23,500	
2,500	Canadian Western Natural Gas Co. Ltd.	43,750	
4,000	Consumers Gas Company	50,500	
1,000	Interprovincial Pipe Line Company	90,000	
3,300	Maritime Telegraph & Telephone Co. Ltd.	67,650	
835	Trans Canada Pipe Lines Limited	34,548	
		<hr/>	
		\$ 494,385	15.31%
		<hr/>	
		<u>\$3,229,654</u>	<u>100.00%</u>

# Midland & Pacific Grain Corporation Limited

## NOTE TO FINANCIAL STATEMENTS

31st July, 1964

### Income taxes:

As a result of the sale of fixed assets at a profit in a prior year, depreciation in respect of certain remaining assets is not allowable for tax purposes. The estimated additional taxes payable were provided for at the time of sale and shown as a deferred liability. Accordingly, income tax expense shown in the accompanying statement has been reduced by \$1,652 representing the portion applicable to the current year.

## AUDITORS' REPORT

To the Shareholders of

Midland & Pacific Grain Corporation Limited.

We have examined the balance sheet of Midland & Pacific Grain Corporation Limited as at 31st July, 1964 and the statements of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the company, the accompanying balance sheet and statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Midland & Pacific Grain Corporation Limited at 31st July, 1964 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CLARKSON, GORDON & CO.  
Chartered Accountants

Calgary, Alberta  
8th September, 1964.



